

Joseph N. Kravec, Jr. (admitted *pro hac vice*)  
**STEMBER FEINSTEIN DOYLE**  
**PAYNE & KRAVEC, LLC**  
 429 Forbes Avenue, 17th Floor  
 Pittsburgh, PA 15219  
 Tel: (412) 281-8400  
 Fax: (412) 281-1007  
 E-mail: [jkravec@stemberfeinstein.com](mailto:jkravec@stemberfeinstein.com)

(additional counsel listed on signature page)

**ATTORNEYS FOR PLAINTIFFS**

DAVID F. GROSS (SBN 983547)  
 CARTER W. OTT (SBN 221660)  
**DLA PIPER LLP (US)**  
 555 Mission Street, Suite 2400  
 San Francisco, CA 94105  
 Phone: 415.836.2500  
 Fax: 415.836.2501  
 E-mail: [david.gross@dlapiper.com](mailto:david.gross@dlapiper.com)  
[carter.ott@dlapiper.com](mailto:carter.ott@dlapiper.com)

RICHARD F. HANS  
 (Pro Hac Vice, New York SBN 2593200)  
 JEFFREY D. ROTENBERG  
 (Pro Hac Vice, New York SBN 3984994)  
**DLA PIPER LLP (US)**  
 1251 Avenue of the Americas  
 New York, NY 10020  
 Phone: 212.335.4556  
 Fax: 917.778.8556  
 E-mail: [richard.hans@dlapiper.com](mailto:richard.hans@dlapiper.com)  
[jeffrey.rotenberg@dlapiper.com](mailto:jeffrey.rotenberg@dlapiper.com)

**ATTORNEYS FOR DEFENDANT**

**IN THE UNITED STATES DISTRICT COURT**  
**NORTHERN DISTRICT OF CALIFORNIA**  
**SAN JOSE DIVISION**

FELTON A. SPEARS, JR. and  
 SIDNEY SCHOLL, on behalf of themselves and  
 all others similarly situated,

Plaintiffs,

vs.

FIRST AMERICAN EAPPRAISEIT  
 (a/k/a eAppraiseIT, LLC),  
 a Delaware limited liability company,

Defendant.

Case No. 5-08-CV-00868 (RMW)

**JOINT CASE MANAGEMENT  
 CONFERENCE STATEMENT**

DATE: June 29, 2012  
 TIME: 10:30 a.m.  
 CTRM: Courtroom 6, 4th Floor

1 Plaintiffs Sidney Scholl and Felton A. Spears, Jr. and defendant eAppraiseIT, LLC ("EA")  
 2 jointly submit this Case Management Conference Statement pursuant to Federal Rule of Civil  
 3 Procedure ("Rule") 26 and the Court's Order dated April 25, 2012 (Docket #249).

4 The Court's April 25 Order requested that the parties provide the following: (i) a proposal  
 5 from Plaintiffs' counsel as to which shall serve as lead or co-lead counsel; (ii) a proposal on the form  
 6 of class notice and plan for dissemination of that notice; and (iii) a case management statement  
 7 including a proposal from the parties on a final pre-trial schedule with an efficient plan for  
 8 completing discovery. On June 22, 2012, Plaintiffs submitted proposed forms of notice and plan for  
 9 dissemination which EA advises it does not oppose. Docket #253. The additional matters covered  
 10 in the April 25 Order are addressed below.

# 11 **I. APPOINTMENT OF CO-LEAD COUNSEL**

## 12 **Plaintiffs:**

13 In compliance with the Court's Order, Plaintiffs' counsel proposes that Stember Feinstein  
 14 Doyle Payne & Kravec, LLC and Law Offices of Janet Lindner Spielberg be appointed as Co-Lead  
 15 Class Counsel. To date, Ms. Spielberg has handled much of the briefing and argument to this Court  
 16 on the legal issues surrounding the Real Estate Settlement Procedures Act ("RESPA"), 12 U.S.C. §  
 17 2607, claim at issue in this case, and Mr. Kravec from the Stember firm has principally handled  
 18 discovery, experts and presentation of class certification to this Court. Plaintiffs believe that these  
 19 issues will continue to need their independent leadership as this case progresses so we believe the  
 20 appointment of each as Co-Lead Class Counsel is appropriate.  
 21 Moreover, the clear separation of these matters will permit Defendant's counsel to know who they  
 22 should contact for binding authority from the Plaintiffs' side.

23 Co-Lead Counsel will maintain communications with Defendant and promote harmonious  
 24 dealings among all plaintiffs' counsel to ensure the litigation proceeds in the most efficient manner  
 25 and avoids duplication of pleadings, discovery or any other task. Specifically, Co-Lead Counsel  
 26 shall have the authority to perform or delegate performance of the following  
 27 matters:  
 28

- (a) directing, coordinating, and supervising the prosecution of Plaintiffs' claims in the Consolidated Action;
- (b) initiating, responding to, scheduling, briefing, and arguing all motions;
- (c) appearing at all hearings and conferences regarding the case;
- (d) determining the scope, order, and conduct of all discovery proceedings;
- (e) assigning work to Plaintiffs' counsel as necessary and appropriate under the circumstances;
- (f) retaining experts;
- (g) communicating with the Court;
- (h) communicating with Defendant's counsel;
- (i) conducting settlement negotiations on behalf of Named Plaintiffs and the class;
- (j) collecting and reviewing time and expense records from all Plaintiffs' counsel on a monthly basis and at the conclusion of the case, as necessary and appropriate under the circumstances, and submitting a fee and costs application;
- (k) coordinating activities to avoid duplication and inefficiency in the filing, serving, and/or implementation of pleadings, other court papers, discovery papers, discovery practice, and, generally, in the litigation;
- (l) performing such other duties that may be incidental to proper coordination of Plaintiffs' pretrial activities or authorized by further order of the Court;

Co-Lead Counsel shall have authority to communicate with Defendant's counsel and the Court as well as the authority to enter into agreements with Defendant's counsel that are binding on the Plaintiffs. Defendant may satisfy its service obligations under Fed. R. Civ. P. 5(a) by serving Co-Lead Counsel.

Besides appointing the Stember and Spielberg firms as Co-Lead Class Counsel, Plaintiffs also request that Braun Law Group, P.C., and Spiro Moore LLP be appointed as Class Counsel, serving in a non-lead role to assist with the continued prosecution of this case. Indeed, both the Braun and Spiro firms have served as counsel for the Named Plaintiffs and the class over the past four years and have significantly contributed their time and resources to the prosecution of this case.

**Defendant:**

Plaintiffs' proposal does not comply with the Court's April 25 Order. In that Order, the Court declined to appoint all four of Plaintiffs' counsel's firms as "co-counsel for the class." Docket #249, 13:1-6. Instead, the Court appointed Stember Feinstein Doyle Payne & Cordes as "interim lead counsel" "pending a proposal from plaintiffs as to who should act as lead counsel" (*id.*), and noted that it "generally limits the appointment of lead counsel to no more than two firms." Docket #249, 13:10-12. Rather than follow the Court's directive, Plaintiff's counsel again propose that all four firms serve as lead counsel, with two serving as "Co-Lead Class Counsel" and others as "Class Counsel" "in a non-lead role." They do not provide any explanation of what this means, how their roles or duties will be different, or why their proposal is appropriate. *See* Docket #249, 13:10-12 ("Appointment of more than two firms seems inconsistent with the reasons for having lead counsel.")

Plaintiffs' proposal also fails to comply with the Court's directive that, "if more than one firm is appointed, [Plaintiffs address] how the tasks are to be efficiently divided." Docket #249, 13:6-9. Other than assigning the titles of "Co-Lead Class Counsel" and "Class Counsel" "in a non-lead role," their proposal provides no indication of what tasks, duties, or responsibilities each firm will have or how they propose to efficiently prosecute the action. The Court should require that Plaintiffs submit a proposal that explains how tasks will be efficiently divided in compliance with its April 25 Order.

**II. LEGAL ISSUES AND MOTIONS****A. Pleading Motions**

Plaintiffs allege that Defendant's conduct violated RESPA. The Court has previously issued Orders on March 9, 2009 (Docket #147) and August 30, 2009 (Docket #169) resolving EA's motions to dismiss. The Court is familiar with the previous pleading motions and its rulings as to those motions. Further information, if desired, is contained in the parties' prior case management statement (Docket #172). EA filed a request for an interlocutory appeal of the Court's August 30, 2009 ruling affirming the sufficiency of Plaintiffs' RESPA Section 8(a) claim, and that request was denied.

1           **B. Class Certification**

2           The Court certified Plaintiffs' proposed class in its April 25 Order. On May 10, 2012, EA  
3 filed a Petition for Permission to Appeal that order, and on May 25, 2012 Plaintiffs filed an  
4 opposition to that Petition. The parties are awaiting a decision regarding the Petition from the Ninth  
5 Circuit.

6           **C. The Supreme Court's Decision In *First American Financial Corporation v. Edwards***

7           The parties previously asked that the Court postpone this Case Management Conference  
8 based on their recognition that the Supreme Court's pending decision in *First American Financial*  
9 *Corp. v. Edwards* could narrow and/or clarify the issues. See Docket #250, 2. It now appears that  
10 the Supreme Court will issue its decision in that matter on June 28, 2012. At the case management  
11 conference, the parties will be prepared to discuss whether and how *Edwards* affects this matter,  
12 including any of the Court's prior rulings; any proposal for submitting arguments related to  
13 *Edwards*; and how it may affect the schedule proposed herein.

14       **III. DISCOVERY**

15           **Plaintiffs:**

16           The discovery conducted to date has primarily focused on discovery relative to class  
17 certification issues with completion of merits discovery being deferred by this Court until after the  
18 issue of class certification is fully resolved. 10/2/09 Order (Docket #175). In the Court's April 25<sup>th</sup>  
19 Order, the Court asked for an efficient plan for completing discovery. This Court also identified the  
20 key contentions that Plaintiffs must show by common proof – "that the alleged agreement existed  
21 and was carried out, and that WMB received appraisals that were inflated in the aggregate." Docket  
22 #249, p. 4:12-14. The following addresses a proposed plan for discovery, and the schedule for  
23 discovery and other pre-trial activities is addressed in Section I.

24           **A. Plaintiffs' Merits Document Discovery**

25           In the class certification stage, EA produced documents responsive to Plaintiffs' requests,  
26 including the documents it produced in the action being pursued by the New York Attorney General.  
27 These documents largely address from EA's perspective the existence and carrying out of the  
28 appraisal referral agreement with WMB. However, Plaintiffs have no documents from WMB. Since

1 WMB was the other party to the alleged referral agreement, Plaintiffs anticipate that most of the  
2 remaining document discovery will be third-party discovery from WMB. This document discovery  
3 will consist of seeking documents relative to the existence and consummation of the referral  
4 conspiracy from WMB's perspective, plus obtaining copies of the HUD-1s for each appraisal EA  
5 performed to confirm that class members paid for EA's appraisals. As the Court may recall, WMB  
6 was taken over by the FDIC so many of the documents at issue reside with the FDIC, including the  
7 institutional documents relative to the agreement and consummation. Also, because the FDIC  
8 transferred many of the loans to Chase, some of the documents may reside with Chase as well.

9 Plaintiffs may also take discovery of Lender Service, Inc. ("LSI") as they also entered an  
10 appraisal referral agreement with WMB similar to that at issue here, and Defendant intends to take  
11 discovery of LSI too.

12 Lastly, many documents relative to these appraisal issues were also collected in the securities  
13 and ERISA class actions recently settled in the MDL pending in the United States District Court for  
14 the Western District of Washington. Accordingly, Plaintiffs' document discovery shall consist of  
15 third-party subpoenas *duces tecum* on Chase, FDIC and the parties in the MDL securities and ERISA  
16 litigation. Plaintiffs anticipate a small amount of document discovery of EA, largely to follow-up on  
17 certain documents not produced that were referenced by other documents that were produced.

18 **B. Plaintiffs' Merits Witness Depositions**

19 EA is currently in trial with the New York Attorney General regarding the WMB inflated  
20 appraisal claims raised there. Plaintiffs may depose one or more of the witnesses presented at that  
21 trial after the have testified. Plaintiffs understand from the New York Attorney General that the trial  
22 likely will conclude by the end of July, 2012. At this point, Plaintiffs believe that they will not need  
23 to depose more than 10 of EA's current or former employees. Plaintiffs may also wish to depose  
24 one or more of former WMB employees depending on the document discovery produced by the  
25 FDIC or Chase.

26 **C. Merits Discovery Related To Plaintiffs' Expert Aggregation Analysis**

27 While Plaintiffs do not anticipate needing any merits discovery related to the expert analysis  
28 of aggregate inflation described in their class certification motion papers and discussed in the

1 Court's April 25<sup>th</sup> Order, Plaintiffs may need certain information to be provided in an electronic  
2 format so that they may draw random samplings of appraisals to perform the appraisal reviews.  
3 Plaintiffs hope that this matter can be resolved by agreement among the parties, rather than through  
4 formal discovery. Plaintiffs do not believe that a deposition of any of the appraisers for whom  
5 appraisal reviews are completed will be necessary since their testimony would be irrelevant given  
6 that Plaintiffs' expert will be assuming that all of the appraiser's assumptions are correct, unless  
7 there is demonstrable contrary objective evidence.

8 **D. Other Expert Discovery**

9 Plaintiffs will wish to obtain the documents underlying any expert report submitted by EA  
10 and will wish to depose any such expert witness. Plaintiffs propose a period of expert discovery  
11 following the exchange of the expert reports.

12 **Defendant:**

13 **A. Defendants' Document Discovery**

14 Defendants may seek document discovery from WMB, Lender Services, Inc., ("LSI") as well  
15 as from appraisers whose work is the subject of review in "Plaintiff's Expert Aggregation Analysis"  
16 concerning, among other things, Plaintiff's conspiracy allegations.

17 **B. Defendants' Depositions**

18 Defendant may depose certain of its former employees, as well as former employees of  
19 WMB. In addition, Defendants may depose certain appraisers who performed the appraisals that are  
20 the subject of this litigation.

21 **C. Discovery Related To Plaintiffs' Expert Aggregation Analysis**

22 Defendants may seek document discovery from any expert retained by Plaintiff in connection  
23 with this analysis. Defendants may also seek to depose any such experts. Defendants may also seek  
24 document and deposition discovery from any appraisers whose work is reviewed in connection with  
25 this analysis.

26 **D. Other Expert Discovery**

27 Defendant anticipates retaining experts to conduct appraisal reviews of any appraisers  
28 Plaintiffs identify as inflated or in violation of USPAP or any state or federal regulation or guideline.

1 Defendant also may retain experts to address Plaintiff's allegations of appraisal inflation and in  
2 response to any expert reports submitted by Plaintiff.

#### 3 **IV. SETTLEMENT AND ADR**

4 The parties agree that settlement discussions are currently premature. If and when settlement  
5 discussions become appropriate, the parties agree to use a professional mediator.

#### 6 **V. NARROWING OF ISSUES**

7 The parties anticipate moving for summary judgment at a later date. At relevant procedural  
8 junctures throughout the litigation, parties will in good faith continue to explore the possibility of  
9 narrowing issues whenever possible.

#### 10 **VI. SCHEDULING**

11 The Court previously declined to set pre-trial dates and deadlines and a trial date until after  
12 class certification was decided. The Court has now certified the class. However, EA has filed a  
13 Rule 23(f) Petition for Permission to Appeal, and the parties are awaiting a decision from the Ninth  
14 Circuit regarding that Petition. Accordingly, Plaintiffs propose that the Court approve their form and  
15 plan of notice but defer dissemination of the notice until thirty (30) days after the Petition is denied  
16 or this Court's certification order is affirmed. Should the Supreme Court decision in the Edwards  
17 case require briefing and argument, the parties agree that dissemination of the notice be further  
18 deferred until thirty (30) days following this Court's related rulings.

#### 19 **Plaintiffs' Proposal:**

20 Plaintiffs also believe that a period of nine (9) months for discovery is warranted given the  
21 discovery needed from third parties, including the FDIC. However, Plaintiffs do not believe that  
22 EA's proposed schedule that would take some four (4) years to complete discovery and other pre-  
23 trial activities before this matter is tried is appropriate, especially given that EA is already trying the  
24 New York Attorney General action involving the same conduct.

25 Below is a chart including Plaintiffs' proposed schedule that will have this case to trial in a  
26 little over 22 months.



PLAINTIFFS' CHART OF DATES AND DEADLINES

EVENT	PROPOSED DEADLINE
Mail Class Notice	The later of 30 days after Ninth Circuit denies Rule 23(f) Petition or Affirms Class Certification, or this Court rules on any <i>Edwards</i> related arguments.
Merits Discovery Cutoff	9 months from deadline for Mailing Class Notice
Mediation	June 28, 2013
Expert Reports – Merits	30 days after close of Merits Discovery - Initial Report 150 days after close of Merits Discovery – Supplemental/Rebuttal
Expert Discovery Cutoff – Merits	200 days after close of Merits Discovery
Dispositive Motion Cutoff	220 days after close of Merits Discovery
Other Motion Cutoff (other than Motions in Limine)	240 days after close of Merits Discovery
Pretrial Conference (hearing on Motions in Limine, agreed jury instructions and verdict forms, proposed voir dire questions)	285 days after close of Merits Discovery
Pre-Trial Briefs	305 days after close of Merits Discovery
Trial Date	330 days after close of Merits Discovery

**Defendant's Proposal:****DEFENDANT'S CHART OF DATES AND DEADLINES**

<b>EVENT</b>	<b>PROPOSED DEADLINE</b>
Mail Class Notice	The later of 30 days after Ninth Circuit denies Rule 23(f) Petition or Affirms Class Certification, or this Court rules on any <i>Edwards</i> related arguments.
Merits Discovery Cutoff	9 months from deadline for Mailing Class Notice
Submission of Plaintiffs' Expert Aggregation Analysis	9 months from deadline for Mailing Class Notice
Discovery relating to Plaintiffs' Expert Aggregation Analysis	6 months from Merits Discovery Cutoff
Submission of Defendant expert reports in response to Plaintiffs' Expert Aggregation Analysis	6 months from Merits Discovery Cutoff
Mediation	TBD
Other Expert Reports – Merits	9 months from Merits Discovery Cutoff
Other Expert Discovery Cutoff – Merits	12 months from Merits Discovery Cutoff
Other Expert Rebuttal Reports – Merits	15 months from Merits Discovery Cutoff
Other Expert Rebuttal Discovery Cutoff – Merits	18 months from Merits Discovery Cutoff
Dispositive Motion Cutoff	120 days after close of Other Expert Rebuttal Discovery
Other Motion Cutoff (other than Motions in Limine)	180 days after close of Other Expert Rebuttal Discovery

1	Pretrial Conference (hearing on Motions in	210 days after close of Other Expert Rebuttal
2	Limine, agreed jury instructions and verdict	Discovery
3	forms, proposed voir dire questions)	
4	Pre-Trial Briefs	240 days after close of after close of Other
5		Expert Rebuttal Discovery
6	Trial Date	270 days after close of Other Expert Rebuttal
7		Discovery

## VII. TRIAL

Plaintiffs have requested a jury trial as to the claims that may be so adjudicated. Plaintiffs estimate the trial length to two (2) to three (3) weeks in length.

Dated: June 27, 2012

### STEMBER FEINSTEIN DOYLE PAYNE & KRAVEC, LLC

By: s/Joseph N. Kravec, Jr.  
Joseph N. Kravec, Jr.  
(Admitted *Pro Hac Vice*)

429 Forbes Avenue  
Allegheny Building, 17th Floor  
Pittsburgh, PA 15219  
Tel: (412) 281-8400  
Fax: (412) 281-1007

### Janet Lindner Spielberg (SBN 221926) LAW OFFICES OF JANET LINDNER SPIELBERG

12400 Wilshire Boulevard, #400  
Los Angeles, California 90025  
Tel: (310) 392-8801  
Fax: (310) 278-5938

### DLA PIPER LLP

By: s/Richard F. Hans via consent  
Richard F. Hans  
(Admitted *Pro Hac Vice*)

Patrick J. Smith  
Jeffrey D. Rotenberg  
1251 Avenue of the Americas  
New York, New York 10020-1104  
Tel: (212) 335-4556  
Fax: (917) 778-8556

David F. Gross (SBN 983547)  
Carter W. Ott (SBN 221660)  
**DLA PIPER LLP (US)**  
555 Mission Street, Suite 2400  
San Francisco, CA 94105  
Phone: 415.836.2500  
Fax: 415.836.2501

**ATTORNEYS FOR DEFENDANT  
EAPPRAISEIT**

1 J. Mark Moore (SBN 180473)

Ira Spiro (SBN 67641)

2 **SPIRO MOORE LLP**

11377 West Olympic Blvd., Fifth Floor

3 Los Angeles, California 90064-1683

Tel: (310) 235-2468

4 Fax: (310) 235-2456

5 Michael D. Braun (SBN 167416)

6 **BRAUN LAW GROUP, P.C.**

10680 West Pico Boulevard, Suite 280

7 Los Angeles, California 90064

Tel: (310) 836-6000

8 Fax: (310) 836-6010

9 ***ATTORNEYS FOR PLAINTIFFS***